VZCZCXRO5277 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #5604 3530256 ZNR UUUUU ZZH P 190256Z DEC 07 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 0421 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RHMFIUU/USFJ PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 5055 RUEHNH/AMCONSUL NAHA 7451 RUEHNAG/AMCONSUL NAGOYA 3774 RUEHKSO/AMCONSUL SAPPORO 5692 RUEHOK/AMCONSUL OSAKA KOBE 8720 RUEHBJ/AMEMBASSY BEIJING 0721 RUEHMO/AMEMBASSY MOSCOW 2018 RUEHUL/AMEMBASSY SEOUL 6770 RUCNDT/USMISSION USUN NEW YORK 7492 RHEHAAA/NSC WASHDC

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STATE FOR I/RF, PA/PR/FPC/W, IIP/G/EA, EAP/PD, R/MR, EAP/J, EAP/P, PM; USTR FOR PUBLIC AFFAIRS OFFICE; TREASURY FOR OASIA/IMI; SECDEF FOR OASD/PA; CP BUTLER OKINAWA FOR AREA FIELD OFFICE; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR

E.O. 12958: N/A
TAGS: <u>OIIP KMDR KPAO JA</u>
SUBJECT: TOKYO MEDIA REACTION - IRAN'S RELATIONS WITH U.S. AND RUSSIA

LEAD STORIES: Most Wednesday morning papers gave top play to the rearrest of former Vice Defense Minister Moriya on charges of accepting additional bribes from a former managing director of a defense hardware trading company.

- 11. "U.S. Approach to Iran Facing Impasse" The top-circulation, moderate Yomiuri's Washington correspondent reported (12/19): "President Bush expressed support on Monday for the Russian provision of nuclear fuel to an Iranian nuclear power plant at Bushehr by saying that Tehran no longer needs to learn how to enrich uranium. However, given that the U.S. initially opposed the construction of the plant because of concerns about the facility potentially being used for developing nuclear weapons, the president's endorsement of the fuel transfer was an agonizing decision. Furthermore, chances are slim that the Iranian government will halt its uranium enrichment program in exchange for receiving Russian fuel. Concern is mounting in the U.S. that the Bush administration's Iran policy has hit a snag."
- 12. "Russia Focusing on Nuclear Deals" A Moscow-based reporter for the liberal Asahi wrote (12/19): "Russia has begun the shipment of nuclear fuel to the Bushehr nuclear power plant in Iran in the face of U.S. concern. Moscow appears to be interested in making this a test-case for the nuclear-fuel business it hopes to create and expand. Iran is continuing uranium enrichment while ignoring UN Security Council

resolutions. Moscow appears to be going ahead with the provision on the grounds that its cooperation on this front will help deter Tehran's nuclear development."

SCHIEFFER